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SUBJECT: THE CHANGING FACE OF POVERTY IN TURKEY

¶1. (SBU) Summary: While the incidence of extreme poverty is very low, nearly 25 percent of Turks live below the World Bank's international poverty line, with poor people increasingly concentrated in large cities. Despite an improving economy, regional disparities in income, together with internal migration to urban areas, perpetuate the problem, which continues to disproportionately affect women and pose problems for Turkey's EU accession. Breaking with its previous ambivalence in addressing the issue, the GOT recently endorsed a survey on internally displaced persons (IDPs) and economic migration, and is funding a study that will make policy recommendations for combating poverty in the Southeast. End summary.

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SNAPSHOT OF TURKISH POVERTY  
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¶2. (SBU) The GOT prides itself on the fact that less than 1 percent of the population lives in extreme poverty (defined as those living on less than 1USD per day); however, the United Nations estimates that 24 percent of the population lives on less than 4.3USD per day. With a purchasing power parity per capita GDP of about 7000 USD, Turkey is classified as a middle-income country; however, it ranks 94th out of 177 countries in the UN Human Development Index (HDI), well behind fellow EU accession countries Croatia (45th), Bulgaria (55th) and Romania (64th), and regional neighbors that Turks generally considered less advanced than Turkey, such as Kazakhstan (80th), Armenia (83rd), and Jordan (90th).

¶3. (SBU) Sarah Poole, the United Nations Development Program (UNDP) Deputy Resident Representative, told us that regional and gender disparities are key factors in Turkey's low HDI ranking, citing them as Turkey's biggest development challenge. She noted that while per capita GDP has increased since the 2001 economic crisis, income growth has not trickled down to the poor. Poole's point is echoed in a recent World Bank report, which states that without reductions in inequality, gains from growth could fail to significantly reduce poverty. In addition, Turkey's UN Millennium Development Goals (MDG) report cites lack of effective cooperation among institutions responsible for alleviating poverty, along with a lack of norms and standards in the programs they implement, as key challenges in reducing the country's poverty rate.

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INTERNAL MIGRATION CHANGES THE FACE OF POVERTY  
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¶4. (U) Poverty has traditionally been concentrated in

heavily ethnically-Kurdish Eastern and Southeastern Anatolia. In recent years, however, internal migration has changed the regional profile of Turkish poverty, and weakened extended family support networks. Poole told us that strong family, social, and community networks in rural areas had kept the incidence of extreme poverty very low. However, as people migrate from rural areas to large cities, these structures are disrupted, leading to more intractable, longer-term poverty. Poole noted that because of a lack of marketable skills, internal migrants stay just as poor even when they move to larger urban centers. The majority work as unskilled laborers, selling food and goods on the streets. Urban centers such as Ankara and Istanbul are overwhelmed with internal migrants and are unable to absorb them, resulting in rapidly growing, densely populated poor neighborhoods, often consisting principally of illegal ramshackle houses built without formal land title.

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WOMEN DISPROPORTIONATELY AFFECTED  
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¶5. (U) Although Turkey prides itself as a leader in women's rights among Muslim-majority countries, women bear the brunt of Turkey's economic underdevelopment. According to UN statistics, the poverty rate among women actually increased between 2002 and 2003, from 27.2 percent to 28.3 percent, despite strong growth in the overall economy. This poverty adversely affects the achievement of other goals, such as universal education and reduction in infant and maternal mortality rates. Turkey's maternal mortality ratio (deaths per 100,000 live births) is 70, whereas EU accession peer Romania's ratio is 49. Poole told us that every 12 hours one Turkish woman dies of childbearing-related complications, a rate on par with sub-Saharan Africa. In

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the eastern provinces, skilled health personnel attend only 41.7 percent of births, whereas in the west the rate is 95.3 percent. In rural areas, over 60 percent of 11-14 year old females are not enrolled in school. The UN rates Turkey 76th out of 80 countries (behind Pakistan, 71st, and Iran, 75th) in its Gender Empowerment Measure, which gauges inequality in political participation and decision-making power, economic participation, and power over economic resources. It is these gender-oriented health and education criteria that pull down Turkey's overall ranking in the UN Human Development index, as opposed to the purely economic indicators.

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GOT BEGINNING TO TAKE NOTICE  
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¶6. (SBU) The GOT has not traditionally spent much time or resources on examining the poverty issue. According to Poole, UNDP had been encouraging the GOT to do a qualitative survey on IDPs and internal migrants since 2003. (Comment: Though by definition hard to calculate, the number of IDPs is estimated at between 300,000 -- the GOT's unrealistically low estimate -- to 4 million -- a wildly inflated estimate by pro-Kurdish groups. These estimates are influenced by politics and often fail to distinguish between those displaced for economic reasons and those displaced due to ongoing violence in the Southeast. According to Poole, 4 million is Human Rights Watch's figure and is very unrealistic. End comment.) With UNDP's cooperation, the GOT teamed with Hacettepe University to do a survey on IDPs which is expected for release in February 2006. Poole acknowledged that distinguishing between economic migrants and IDPs is quite difficult, but told econoffs that UNDP hopes this survey will provide a more accurate picture of internal migration.

¶7. (SBU) In another promising step, the Prime Minister's office requested and funded a six-month study on economic

opportunities in the Southeast. The study, currently being conducted jointly by the NGO Turkish Economic and Social Research Foundation (TESEV), UNDP, and American NGO Open Society Initiative (OSI), will review data on poverty in the region and provide policy recommendations to alleviate the situation. Results of the study are expected in the spring. In addition, the GAP (Southeastern Anatolia Project) Administration is organizing an event on poverty and economic growth in the Southeast in May. According to Poole, the GAP has not paid enough attention to social and local development issues.

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COMMENT  
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18. (SBU) Comment: In spite of Turkey's strong GDP growth since the 2001 crisis, income inequalities remain stark. As officials from Turkey's ruling Justice and Development Party (AKP), including PM Erdogan, have recognized, the end of endemic high inflation since the 2001 financial crisis has increased ordinary Turks' purchasing power. However, the growth of the economy has not yet reduced the large percentage of population living in poverty. Not only do regional and gender-based disparities persist but migration to the cities seems to have worsened the problem by breaking down extended family support networks. Only a concerted, cross-sectoral focus on development, including projects targeting health and education and women in particular, is likely to improve Turkey's abysmal Human Development Index ranking. However, ongoing PKK violence in the Southeast will hinder GOT efforts.

WILSON